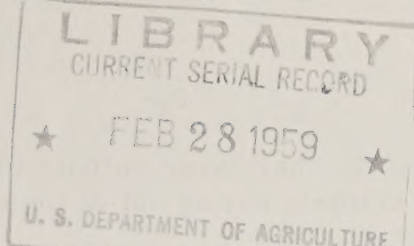


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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Rising livestock prices pushed the July index of prices received by farmers to the highest level since August 1954.

The index has risen gradually since February and in mid-July was nearly 2% above a year earlier. Biggest increases over the last year were made by meat animals and wool... largest declines by feed grains and potatoes.

The increase in prices received over the last year fell a little short of keeping pace with prices farmers pay. The index of prices paid by farmers, interest, taxes and wage rates in July was only slightly below the April peak, and 3% above a year earlier. Prices of both production goods and family living items have increased over the year.

Because of the greater increase in prices paid than in prices received, the parity ratio is a little lower than a year ago.

**LIVESTOCK.** Production and slaughter of meat animals are likely to stay below the high 1956 level for some time. The 1957 calf crop is estimated to be down 2% from last year... the lamb crop 3%. Hog production is veering the other way, but the increase for this year's pig crop is slight...only 1%. Prices of meat animals, allowing for seasonal fluctuations, are likely to hold this year's gains through at least the first half of 1958.

**DAIRY.** Numbers of milk cows in June were down 1% from a year earlier to the lowest level for the 27 years records are available. But a further gain in output per cow has kept milk production slightly ahead of last year. Prices at the farm and at retail were slightly above a year earlier in the first half of 1957.

**POULTRY AND EGGS.** The seasonal rise in egg prices is expected to continue into the fall. By the end of the year production is expected to be down from 1956 because of the 18% cut in the number of replacement chickens raised last spring.

Broiler placements are continuing above a year ago. Demand is likely to fall off seasonally as weather turns cooler and prices are likely to recede from current levels. Prices recently have been the highest in several months.

**OILSEEDS.** Production is expected to be down from last year for each of the main crops...cotton seed 10%; soybeans 6%; peanuts 1%; flaxseed 15%.

Supply of food fats for 1957-58 probably will be a little below the current season. Drop in soybean and cottonseed production is about offset by a slight increase in lard output...carryover will be down slightly.

The flaxseed crop though down from last year, exceeds prospective use by about 10 million bushels. Most of this probably will be acquired by CCC under the support program.

**FEED.** Feed grain output will be near last year with increased production of oats, barley and sorghum grain cancelling a drop for corn. The grain carryover next October 1 is expected to be up 5 million tons from a year earlier, and the total supply



slightly above last years record. Another large output of byproduct feeds is in prospect. The number of grain consuming animals eating out of the concentrate supply will be about the same as in 1956-57.

Feed grains probably will bring farmers a little lower prices in 1957-58 than this season. Production is more than enough for needs and support prices are down.

WHEAT. Carryover stocks July 1 totaled 905 million bushels, down 128 million from a year earlier. A record export of 547 million bushels in 1956-57 is responsible. Use in this country was down a little from 1955-56 to the lowest level since 1925. The reason: reduced use for feed and seed.

Another cut in the carryover is likely this marketing year. Production is down 8% from last year. Even though exports are likely to fall below 1956-57, total disappearance is likely to exceed this year's crop.

FRUIT. This is the time of year for large supplies of deciduous fruits, low supplies of citrus. They total slightly larger than last year. Supplies of processed fruits also are up slightly. Demand for fresh fruit is strong but demand from processors appears weaker than a year ago.

VEGETABLES. Output of vegetables for processing will be down considerably from last year according to August estimates. Carryover of canned vegetables is up but probably not enough to offset the probable reduction in the pack. Near-record supplies of frozen vegetables are in prospect.

COTTON. A smaller crop and a smaller carryover are reducing this season's cotton supply to the lowest in 3 years. August 1 conditions pointed to a 1957 crop of 11.8 million running bales, 2.4 million less than last year. The August 1 carryover of 11.4 million bales is down 3.1 million from the same date in 1956.

Preliminary estimates point to domestic use and export of  $13\frac{1}{2}$  to 15 million bales in 1957-58...enough to reduce stocks further by the end of the season.

WOOL. Strong world demand has pushed prices in foreign and U. S. markets well above last year. The increased demand is coming from abroad. World consumption the first quarter of this year was the highest for the period since 1950. In the U. S., mill use of apparel wool the first half of this year was down 12% from a year earlier, and only slightly above the postwar low of 1954.

Shorn wool production in the U. S. this year is estimated to be down 3% from last year. World wool output in 1956-57 is up 5% from the previous year, and a slight increase is predicted for 1957-58.